FILED
JUL 1 1972

IN THE

Supreme Court of the United States

October Term, 1972

No. 71-1559

THE SINGER COMPANY,

Petitioner,

—*against*—

GEORGE B. GREENE,

Respondent.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Third Circuit

RESPONDENT'S BRIEF IN OPPOSITION

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IN THE

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No. 71-1589

THE SINGER COMPANY,

Petitioner,

—against—

GEORGE B. GREENE,

Respondent.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Third Circuit

RESPONDENT'S BRIEF IN OPPOSITION

Respondent submits this brief in opposition to the Petition for a Writ of Certiorari to the United States Court of Appeals for the Third Circuit in *Greene* v. *Singer*, No. 71-1835 (3d Cir., filed March 13, 1972).

Question Presented

Did the Court of Appeals err in finding that the District Court had not abused its discretion in limiting the role of Respondent's patent counsel in his representation of

Respondent, but not prohibiting him from rendering assistance to Respondent in this litigation, where said patent attorney had exclusively represented Respondent's interests with respect to matters relevant to this litigation pursuant to Petitioner's directions during the course of former employment of said patent attorney by Petitioner?

Statement of the Case

The Court of Appeals reviewed the District Court's Opinion, as amended by letter dated June 30, 1971, and the facts presented by the record on appeal on no less than four occasions: (i) on Petitioner's Petition for Leave to Appeal pursuant to 28 U.S.C. §1292(b), which was denied; (ii) on Respondent's Motion to Dismiss the Appeal; (iii) on the Appeal; and (iv) on Petitioner's Motion for Rehearing En Banc. On the basis of the facts involved in this collateral appeal and the decisions of other courts, the Court of Appeals properly found that the District Court had not abused its permissible discretion (Pet. Appendix E, p. A22).

In the First Count of the Complaint filed October 30, 1970, Respondent George B. Greene alleges a cause of action for wrongful use and disclosure of trade secrets relating to automatic typewriters. These wrongful acts arise out of disclosures which Greene made to Friden, Inc.* in 1964, at a time when Greene and Friden were engaged in a joint development program whereunder Greene was to attempt to design and develop certain devices for Friden and Friden was to have paid Greene for his work

* Singer acquired Friden, Inc. in 1963, and in 1968 Friden, Inc. was merged into and became a division of Singer.

and to have provided Greene with the services of an attorney to prepare and file patent applications for Greene. In the Second Count, Greene alleges that Singer has violated the antitrust laws by engaging in a combination and conspiracy in unreasonable restraint of interstate commerce in automatic bar typewriter machines by means of certain acts specified in the Complaint. In the Third Count, Greene alleges that Singer has infringed Patent No. 3,511,352, which was issued to Greene on May 12, 1970, by the sale and manufacture of certain models of Singer's automatic typewriter known as the "Flexowriter."

The subject matter of Petitioner's Appeal, and now its Petition herein, is the propriety of the participation of Respondent's patent counsel, Rankin A. Milliken, in the prosecution of this litigation in view of his former employment in the Patent Department of Friden, Inc. at its plant in San Leandro, California from 1962 to 1965. Respondent Greene has consistently maintained, and both Courts below have found, that Milliken has not violated Canon 6 of the Canons of Professional Ethics of the American Bar Association. These findings rested upon the unique factual situation presented wherein Milliken had been assigned by Friden during the course of his former employment to represent Greene's interests in connection with a joint development program entered into between Greene and Friden. Accordingly, Milliken did not render services to Friden as patent attorney which were substantially related to the subject matter of this litigation.

By certain agreements between Friden and Greene made in 1964, Friden had undertaken to provide Greene with the services of patent counsel to prepare and file applications for Greene. To fulfill its obligation under the agreements, Friden designated Milliken to act as Greene's patent attorney and to prepare and file patent applications for Greene.

To avoid any possible conflict of interest, Milliken was instructed by his superior, Friden's Chief Patent Attorney, to act in all respects as Greene's patent attorney and to treat Greene's interests as paramount to Friden's interests. From May 6, 1964 until November 30, 1965, Milliken worked extensively with Greene, acting as his patent attorney in regard to automatic typewriters and pulsed fluidics. Milliken obtained a substantial number of invention reports, and prepared and prosecuted various patent applications for Greene pursuant to the agreements between Greene and Friden. At the same time, he continued to perform other patent duties for Friden, which were totally unrelated to Greene's inventions. During his employment with Friden, Milliken did not file any patent applications in the field of automatic typewriters or pulsed fluidics for Friden, but he did file several such patent applications for Greene, one of which is included in the subject matter of this suit. At all times, Milliken regarded Greene as his client and Greene regarded Milliken as his attorney, giving Milliken full cooperation and access to all of his drawings, records, models, apparatus and other materials at his laboratory.

Pursuant to Friden's contractual obligation to Greene, Milliken was bound to disclose fully to Greene all developments at Friden regarding fluid logic or other matters related to Greene's work. Milliken was instructed by his superior at Friden that all Friden developments relating in any way to work done by Greene were to be fully disclosed to Greene. Under this arrangement Miliken did not "represent" Friden on matters substantially related to the subject matter of this litigation, nor did he share the confidences of Friden or obtain confidential information with respect to these matters. Because all of Friden's work on automatic typewriters took place at its plant in

Rochester, New York, rather than in San Leandro, California, Milliken was not even in a position to acquire confidential information relating to the subject matter of this action. Under these circumstances, none of the wrongful or fraudulent acts of Singer, alleged in the Complaint, came to Milliken's attention while he was employed by Friden.

Milliken left the employ of Friden in 1965, but has continued to represent Greene as his patent attorney until the present time. In 1966 and 1967 he was formally recognized as Greene's patent attorney by the Chief Patent Attorney of Friden as well as by other patent attorneys of Friden. Milliken is also principal attorney to Greene in Interference No. 96,639 involving United States Patent No. 3,340,987, which is included in the subject matter of the present action. In the Interference proceeding, Singer filed a motion objecting to Milliken's appearance, but early in 1970, the motion was voluntarily withdrawn. Prior to the time that Singer's motion to disqualify Milliken in the Interference proceeding was withdrawn, Greene informed Singer's attorneys that he intended to file this suit.

The key factual questions presented to the District Court on Singer's application to bar Milliken from assisting Greene in this suit were (1) whether Milliken represented Friden in 1964 and 1965 with respect to matters substantially related to this litigation, and if so (2) whether he would be called upon to use against Singer any knowledge or information acquired through his former representation. See Drinker, *Legal Ethics*, at 105-107 (1953). The District Court answered both questions in the negative. In its Opinion, the District Court stated:

> "From an examination of the facts as they appear in this case, it is clear that Milliken was an employee

> of Friden from May 6, 1964 to November, 1965, and that during that time, he was closely associated with Greene and, in fact, was assigned by Friden to work on Greene patent matters." (Pet. Appendix A, p. A5)

The District Court specifically found that Milliken was authorized and designated by Friden, pursuant to the terms of agreements between Friden and Greene, to receive disclosures from Greene and to file patent applications for Greene, and that Milliken continued in this assignment until he left Friden's employ (District Court Findings 8, 9 and 11, Pet. Appendix A, p. A4). The District Court also found that Milliken had been employed in Friden's plant in San Leandro, California, which had been engaged in the development and sale of calculating machines. The Court further found that "Milliken had no responsibility whatsoever with respect to the patent work performed in the Rochester plant" which was engaged in the development and sale of automatic typewriters and where work had been conducted for many years on devices to increase the speed of the "Flexowriter", Friden's automatic typewriter. (District Court Findings, 2, 5, 6 and 7, Pet. Appendix A, p. A3).

In its letter opinion of June 30, 1971, the District Court explained that "the interests of Greene and Milliken today are not sufficiently adverse to the interest of Milliken and Friden in 1964-1965 to justify barring Milliken from assisting Greene in any way in this suit." (Pet. Appendix B, p. A12). The District Court also indicated that it was influenced by the uniqueness of the Friden-Milliken-Greene relationship in 1964 and 1965 and by the equities involved:

> "The essential element which distinguishes the present case from those cited by Singer is the fact that

Greene specifically contracted for unlimited free legal service for his own benefit to be provided by Friden. [footnote omitted] In an indirect way Green purchased legal work from Friden, but instead of paying cash, the parties negotiated this term as part of the overall scheme of the agreements. This Court can take judicial notice of the fact that the cost of filing patent applications and the legal work associated therewith is substantial. Despite what the *quid pro quo* might have been the fact remains that it was Friden who placed Milliken in the awkward position of representing a client who had contracted with his employer for legal services. As a result it is very difficult to see why this Court should deprive Greene, who negotiated for these services, the opportunity to consult with the attorney who was assigned to provide them. This, of course, only relates to those matters where Milliken was acting with regard to Greene's interests. Such consultation does not come within the ambit of Canon 6." (Pet. Appendix B, pp. A12-A13).

The District Court found that no showing had been made by Singer that Milliken had obtained confidential information from Singer, which is part of the subject matter of this litigation (Pet. Appendix A, p. A6). Nevertheless, the District Court restricted Milliken's role in this litigation in order to fully protect Singer from any possible use or disclosure by Milliken of confidential information which Milliken came to know only because of his relationship with Friden and which did not relate to those matters where Milliken was acting with regard to Greene's interests:

"The material under prohibition is information, ideas, etc. which Milliken came to know *only* because

> of his relationship with Friden, and which was *not* communicated to Greene during the period when Milliken was still with Friden and was obligated to communicate such things to Greene. * * *
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> * * *
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> "In all future aspects of this case Singer will continue to have the burden of proving and Milliken, through Greene, will always have the duty to defend charges that evidence which comes to light was obtained by Milliken, solely as a result of his employment with Friden, and of a confidential nature not previously disclosed to Greene during the 1964-65 period. Any evidence which is found to be so 'tainted' will not be considered suitable for submission to the jury." (Pet. Appendix A, pp. A6-A7, A8-A9).

In allowing review of the District Court's Order, the Court of Appeals stated that "[t]he precise question is whether the prohibitions imposed by the court order are sufficient to protect the interests of the defendant during the course of the trial." *Greene* v. *Singer*, Slip Opinion at 3 (3d Cir., filed November 2, 1971); (Pet. Appendix C, p. A19). After a review of the record, the Court of Appeals held that the District Court had not abused its permissible discretion by the issuance of its order of June 30, 1971. *Greene* v. *Singer*, Slip Opinion (3d Cir., filed March 13, 1972); (Pet. Appendix E, p. A22).

REASONS FOR DENYING THE WRIT

The issue presented to this Court is uniquely factual and no amount of strained semantics can convert it into one warranting review by this Court on certiorari. The

Order of the District Court in limiting the role of Milliken, but not preventing him from assisting Greene's attorneys, was a proper exercise of discretion.

Neither the District Court's Opinion nor the Court of Appeals' affirmance has broader application than to the particular facts presented in this litigation. The decisions below do not depart from the established authorities concerning conduct of attorneys and will therefore have no impact on the rules governing the legal profession. This is not a case involving a switch of allegiance by an attorney who subsequently chooses to represent interests adverse to his former client. Nor does this case involve a fact situation which engenders the impression that Milliken had access to confidential information that he might use to the detriment of Singer. The District Court merely found that insufficient facts had been presented to justify the disqualification of Greene's patent counsel.

I. The decision below is not in conflict with decisions of other courts.

There is no conflict between the decision below and the decisions of other courts. Petitioner cites case authority for the proposition that an attorney who has represented one party must be disqualified from subsequent representation of an adverse party in a matter substantially related to the former representation. See e.g. *American Can Co.* v. *Citrus Feed Co.*, 436 F. 2d 1125 (5th Cir. 1971); *Consolidated Theatres Inc.* v. *Warner Bros. Circuit Management Corp.*, 216 F. 2d 920 (2d Cir. 1954); *E. F. Hutton & Co.* v. *Brown*, 305 F. Supp. 371 (S. D. Tex. 1969). Both the District Court and the Court of Appeals considered these authorities and determined that they were not applicable to the facts as presented in the record (Pet. Appendix B, p. A12).

The decision of the District Court was based on its finding that Milliken's assistance in the present action was not adverse or substantially related to any prior representation of Friden by Milliken. It further found no evidence that Milliken obtained confidential information from Friden which is substantially related to this litigation. For these reasons, the authorities relied upon by Singer clearly do not require that Milliken be disqualified.

The District Court did *not* hold, as Petitioner suggests, that the disclosure of confidential information is a prerequisite for a violation of Canon 6. Nor did the District Court find that some of Milliken's work for Friden was included in the subject matter of the present suit. Rather, the District Court found that Milliken filed patent applications *for Greene* during the course of his employment with Friden, one of which is included in the subject matter of this suit (District Court Finding 11, Pet. Appendix A, p. A4).

The decision of the Court of Appeals in no way condones the appearance of professional impropriety or departs from established principles of law. The issue to which the Court directed itself was "whether the prohibitions imposed by the court order are sufficient to protect the interests of the defendant during the course of the trial." *Greene* v. *Singer*, Slip Opinion at 3 (3d Cir., filed November 2, 1971); (Pet. Appendix D, p. A19). Neither the District Court nor the Court of Appeals found a substantial relationship between Milliken's former employment by Friden and his participation in the present litigation. Accordingly, the Court of Appeals properly found that the District Court's Order adequately protected the interests of Singer and that the District Court had not abused its permissible discretion.

II. The order of the District Court adequately protects petitioner from disclosures of confidential information.

The District Court found that an examination of Milliken's work history did not reveal that he may have obtained any confidential information substantially related to the subject matter of this litigation (Pet. Appendix A, p. A6). For this reason, Singer's assumption that Milliken has knowledge of confidential information related to this litigation and its fear that Milliken will disclose such information to Greene is without foundation in fact. Moreover, in limiting the role of Milliken in this litigation, the District Court protected Singer from any possible use by Milliken of confidential information gained through his former relationship with Friden. The Order of June 30, 1971 falls squarely within the area of the District Court's permissible discretion to control the conduct of attorneys who appear before it.

The District Court found that there was no violation of Canon 6 and that there should be no prohibition as to information which was "communicated to Greene during the period when Milliken was still employed by Friden and was obligated to communicate such things to Greene." However, with respect to information which came to Milliken only by virtue of his employment by Friden and which had not been communicated to Greene during 1964-1965, the District Court prohibited Milliken from disclosing, using or providing access to confidential information or from communicating any information reasonably calculated to lead to the discovery of confidential information. The Court further prohibited Greene's attorneys from requesting or receiving any prohibited information. To provide the mechanism to enforce its Order, the Dis-

trict Court ruled that any evidence obtained in violation of the Order would be found unsuitable for submission to the jury (Pet. Appendix A, p. A9).

Petitioner complains that the Order of the District Court fails to adequately protect its interests. In fact, the Order affords Singer the broadest possible protection. The exclusionary rule enunciated by the Court prevents the communication or receipt of information "reasonably calculated to lead to the discovery of material which he [Milliken] may not have had access to, but the source of which was known through his employment relationship with Friden, Inc." (Pet. Appendix A, p. A7).

Singer's fear that Milliken will convey to Greene particular items of confidential information as this case proceeds is not supported by any findings of the District Court that Milliken obtained or had access to any confidential information substantially related to the subject matter of this litigation. Singer assumes that Milliken has knowledge of confidential information and, furthermore, that he will be unable or unwilling to discern which information falls within the prohibitions of the District Court's Order. The exclusionary rule contained in the District Court's Order dated June 30, 1971 places the highest priority on the enforcement of the Order by threatening Greene with the ultimate sanction in the event of a violation of the Order: exclusion of evidence at trial. In further aid of enforcement, Singer can question the source of information obtained by Greene and thereby place the burden upon Greene to disclose the source of the information and otherwise to defend against Singer's charge. For these reasons, the Order of the District Court, with its exclusionary sanction, amply protects Singer from possible disclosures of confidential information to Milliken.

CONCLUSION

For the reasons stated herein, the Petition of The Singer Company for a Writ of Certiorari should be denied.

Respectfully submitted,

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Dated: June 30, 1972.